1436. [*Transferred to 20th December*, 1993]

IFO Offer on Privatisation of PSUs

@ 1437. SHRI KAMAL MORARKA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the IFC has offered to help India in privatising PSUs;

(b) if so, the details of the offer made by the IFC; and

(c) what is Government's reaction to the offer?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY (DR. ABRAR AHMED): (a) to (c) The Corporate Financial Services Wing of International Finance Corporation is assisting the Government of India in its efforts at restructuring some of the public sector undertakings through offer of advisory services and locating suitable joint venture parteners. In specific cases, IFC may also put in some financial assistance from its own sources. However, the exercise of restructuring any of the public sector undertaking has not reached a stage where IFC's assistance could be concretised.

India in the List of Top Four Debtors

1438. SHRI MURLIDHAR CHANDRAKANT BHANDARE: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India is the fourth largest debtor country in the thirdworld;

(b) if so, the details of the factors responsible for putting India in the list of top four debtors;

(c) whether Government have adopted any time-bound strategy to relieve the economy from the clutches of external debt and make it more self-sufficient; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND MINISTER OF STATE IN THE MINISTRY OF PARLIAMENTARY AFFAIRS (DR. ABRAR AHMED): (a) and (b) Yes, Sir. As per the World Debt Tables published by the World Bank, India ranks fourth among developing country debtors. Many factors were responsible for putting India in list of top four debtors. These include growing investment requirements of Indian Economy, severe Balance of Payments problems, unprecedented droughts, deceleration in the growth of domestic oil production and increase in oil prices, Gulf crisis, unfavourable internatonal environment for trade, aid and other capital producing only six films during the current flows and bunching of repayment obligations to IMF and other sources.

(c) and (d) Government is conscious about the country's external debt liability and keeps a constant watch on the level of country's indebtedness and likely burden of debt servicing. Government has taken a number of steps to bring about improvements in revenue receipts, to eliminate inessential and low priority expenditure, to boost exports, to increase invisible earnings, to ensure efficient import substitution, to increase non-debt creating inflow of foreign funds, and to reduce dependence on borrowed funds for financing expenditure. These steps would improve, in long term, the economic condition of the country and revitalise our growth process, including our export earning capacity, so as to enhance our capacity to generate sufficient funds needed for the economy to repay the loans and thus reduce dependence on borrowed funds.

@ Previously unstarred Question 976 transferred from 9th December, 1993.